

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA**

**Minute Entry**

**Hearing Information:**

**Debtor:** SWIFT AIR, LLC  
**Case Number:** 2:12-bk-14362-DPC **Chapter:** 11  
**Date / Time / Room:** TUESDAY, APRIL 16, 2013 01:30 PM 6TH FLOOR #601  
**Bankruptcy Judge:** DANIEL P. COLLINS  
**Courtroom Clerk:** RHONDA VAUGHAN  
**Reporter / ECR:** KAYLA COLASONT

**Matters:**

- 1) Motion to Approve Compromise/Settlement Debtors' Motion For (I) Order Approving Proposed Compromise And Settlement With Starflite International, Inc. And Granting Such Other Relief filed by MICHAEL W. CARMEL of MICHAEL W. CARMEL, LTD. on behalf of Swift Air, LLC  
**R / M #:** 439 / 0
- 2) STATUS HEARING TO DISCUSS DEBTOR'S REHABILITATION EFFORTS  
**R / M #:** 429 / 0

**Appearances:**

MICHAEL W. CARMEL, ATTORNEY FOR SWIFT AIR, LLC  
CATHY REECE, ATTORNEY FOR CHICAGO BLACKHAWKS  
ANDREA HANDEL, ATTORNEY FOR DEPARTMENT OF JUSTICE  
DEAN DINNER, ATTORNEY FOR GLOBAL PHOENIX  
MICHAEL FAGONE, ATTORNEY F OR BEACHSIDE  
MICHAEL POLSKY, ATTORNEY FOR MILWAUKEE BUCKS  
CAROLYN JOHNSEN, ATTORNEY FOR CREDITORS COMMITTEE  
STEVE FOX, ATTORNEY FOR DEBTOR  
CINDY GREENE, ATTORNEY FOR STARFLITE  
HENRY DAVID, ATTORNEY FOR STARFLITE  
BRAD COSMAN, ATTORNEY FOR BONNE SEVENTEEN & MILWAUKEE BUCKS  
ANDREA HANDEL, ATTORNEY FOR U.S. DEPARTMENT OF JUSTICE  
MIKE POLSKY, ATTORNEY FOR MILWAUKEE BICKS  
CATHY REECE, ATTORNEY FOR CHICAGO BLACKHAWKS  
ROBERT LYONS, ATTORNEY FOR STARFLITE  
ADAM FERGUSON. ATTORNEY FOR SAIPAN AIR

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(continue)... 2:12-bk-14362-DPC

TUESDAY, APRIL 16, 2013 01:30 PM

**Proceedings:**

(1) HEARING ON 9019 MOTION FILED BY DEBTOR

(2) STATUS HEARING TO DISCUSS DEBTOR'S REHABILITATION EFFORTS

Mr. Fox takes up the status hearing pursuant to the Court's March 2, 2013 Order. He addresses the five areas outlined by the Court at page 7 of the decision. He refers the Court to the March monthly operating report filed April 16, 2013, and advises Debtor did rework the budget to rationalize operations. He advises he has been keeping Ms. Johnsen informed on a real time basis and she has been receiving term sheets as he receives them. Mr. Fox advises the Debtor does want to go forward with the settlement.

Ms. Johnsen discusses the timing of receiving the term sheets and revisions. Ms. Johnsen addresses the exclusivity issue and payment of professional fees. Ms. Johnsen discusses the proposal to pay unsecured trade creditors and advises the monthly operating report was reviewed. She suggests continuing the status hearing for two weeks. Ms. Johnsen explains the committee did not take a position on the Settlement.

Mr. Gordon places his position on the record.

Mr. Cosman stresses his concerns about an abrupt cessation of operations.

Ms. Reece concurs with the concerns as stated by Mr. Cosman.

Mr. David responds to the opposition filed to Debtor's Motion.

Ms. Pilatowicz argues her opposition on behalf of Nimbos to Debtor's Motion.

COURT: IT IS ORDERED SETTING AN EVIDENTIARY HEARING ON MAY 9, 2013, AT 1:30 P. M. ON THE MOTION TO APPROVE COMPROMISE/SETTLEMENT BETWEEN THE DEBTOR AND STARFLITE. A JOINT PRETRIAL STATEMENT IS DUE ON MAY 8, 2013.

IT IS FURTHER ORDERED CONTINUING THE STATUS HEARING ON DEBTOR'S REHABILITATION EFFORTS ON MAY 9, 2013, AT 1:30 P.M.